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C O N F I D E N T I A L ANKARA 006386

SIPDIS

DOE INTERNATIONAL AFFAIRS FOR CHUCK WASHINGTON

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TAGS: [ENRG](#) [PREL](#)

SUBJECT: ENERGY MINISTER GULER WANTS TO WORK WITH U.S.

REF: ANKARA 6310

Classified By: CDA Nancy McEldowney. Reasons 1.4 (b) and (d).

11. (C) Summary. With BTC nearly complete, Turkish Energy Minister Guler is looking for new ways to work with the United States on strategic oil and gas transmission projects in the region, as well as for more U.S. investment in Turkey's growing domestic energy sector. He particularly wants U.S. support for a trans-Caspian gas pipeline that would give the EU an alternative to Iranian gas. Post recommends that Secretary Bodman invite Guler -- who has never visited the United States -- to Washington as part of an effort to deepen bilateral energy cooperation. End Summary.

12. (SBU) Energy Minister Hilmi Guler laid out his pro-American orientation and desire to boost bilateral energy cooperation in an October 19 meeting with the Charge. Guler said that he expected BTC "first oil" in Ceyhan in February 2006 and that completion of the project was a triumph of Turkey and the United States over the many who had doubted our joint resolve. He also expected the Shah Deniz project to be completed and operational before the end of next year. The Minister described these as the first steps toward his vision making Ceyhan into an energy supermarket serving the Mediterranean and Far East.

13. (SBU) Beyond the projects underway and close to completion, Guler saw other opportunities for cooperation in building the Samsun-Ceyhan "bypass" pipeline and a gas pipeline from Iraq that would use the right of way of the existing Kirkuk-Yumurtalik oil line. He has also been discussing with Israel the possibility of transferring oil by tanker and pipeline from Ceyhan to India and beyond, bypassing the Suez Canal (reftel). He is looking forward to completion of the pipeline bringing Egyptian gas to Turkey via Jordan and Syria. He hopes for greater U.S. commercial interest in Turkey's energy sector, including in Turkey's plans to build civil nuclear power plants.

14. (C) But, as he has in other meetings with U.S. officials, including Secretary Bodman, Guler stressed that our key joint strategic emphasis should be working with Azerbaijan and Turkmenistan on a trans-Caspian gas pipeline. Guler said he has so far resisted EU efforts to obtain Iranian gas via Turkey; but it will be impossible for Turkey to maintain this stance as the accession process proceeds. Creating an alternative source of gas could also help undermine Iran's nuclear ambitions, Guler said. Guler understood that Turkmenbashi's attitude was a major obstacle, but he thought it would be possible to work with and convince him of the merits of a trans-Caspian project -- if only the U.S. would engage.

15. (SBU) Guler also highlighted his interest in providing more Turkish energy to Iraq. In addition to the proposed expansion of electricity transmission capacity, he noted that Turkish firms could quickly build natural gas-fired power plants in northern Iraq and even loan Turkey's currently unused mobile oil generating plants.

16. (C) Comment: Guler is somebody we can work with and should be working with more. He is very experienced and understands the challenges of dealing with Turkmenbashi, but sees no other alternative for keeping Iranian gas out of Europe. He said he had never visited the U.S. (at least as minister) and would welcome the opportunity. An invitation from Secretary Bodman would be an excellent opportunity to engage a forward-leaning Turkish minister who wants to work with us in our regional energy agenda, as well to help create new opportunities for U.S. firms in Turkey's growing energy sector. End Comment.

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